

*NO COPY OF THIS TRANSCRIPT MAY BE MADE PRIOR TO JUNE 8, 2023

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW HAMPSHIRE

* * * * *

UNITED STATES OF AMERICA

v.

IAN FREEMAN

* * * * *

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* 1:21-cr-41-JL
* December 6, 2022
* 2:10 p.m.
*
*

TRANSCRIPT OF JURY TRIAL
DAY 1 - AFTERNOON SESSION
BEFORE THE HONORABLE JOSEPH N. LAPLANTE

Appearances:

For the Government: Georgiana L. MacDonald, AUSA
Seth R. Aframe, AUSA
John J. Kennedy, AUSA
United States Attorney's Office

For the Defendant: Mark L. Sisti, Esq.
Sisti Law Offices

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Official Court Reporter
United States District Court
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1 P R O C E E D I N G S

2 THE CLERK: In the matter of 21-cr-41-01-JL, United
3 States vs. Ian Freeman, the government has premarked exhibits
4 100 series through 3100 series to which objection has been made
5 and shall remain marked for identification at this time.

6 Defendants have premarked Exhibits A through L-2 to
7 which the objection has been made and shall remain marked for
8 identification at this time are as follows: A-1 through A-4,
9 C-1 through C-4, D-1 through D-7, E-1 through E-3, F, G, H-1
10 through H-2, I, J-1 through J-10, K, L-1 and L-2.

11 Is everybody in agreement with that?

12 MS. MACDONALD: Yes.

13 MR. SISTI: Yes.

14 MR. AFRAME: Not the D ones.

15 THE COURT: You only got rid of -- you only got rid
16 of 2, 3, 4, 5 and 6. You still have 7.

17 MR. AFRAME: You just said D1 and D7? Okay.

18 THE CLERK: Yeah, I just wrote it on the exhibit
19 list here.

20 MR. AFRAME: Okay.

21 THE CLERK: Okay. We're all set.

22 Court is now in session and has before it for
23 consideration jury trial in criminal case 21-cr-41-01-JL,
24 United States vs. Ian Freeman.

25 THE COURT: Good afternoon.

1 First things first. Mr. Freeman's wife was denied
2 admission because she didn't have an ID. The court rules
3 require an ID, but I'm going to -- I ordered them to let her in
4 today.

5 MR. SISTI: Okay. I can vouch for her today.

6 THE COURT: She can come in today. She's your wife
7 and you're on trial. But she's going to have to have an ID
8 from now on.

9 THE DEFENDANT: She forgot it.

10 THE COURT: Understood. That's why I said it's
11 probably a good idea -- she ought to be here in this trial.

12 Gentleman in the back, you don't have a mask on.
13 Yup. We have a requirement to wear masks during the trial.
14 Sir, right up front.

15 UNIDENTIFIED INDIVIDUAL: No one gave me a mask.

16 THE COURT: We can give you one. Didn't somebody
17 tell you you couldn't come into court without a mask?

18 UNIDENTIFIED INDIVIDUAL: I walked in. No one
19 approached me.

20 THE COURT: Okay. No problem. There you go.

21 UNIDENTIFIED INDIVIDUAL: Thank you.

22 THE COURT: You're welcome.

23 For those of you who don't want to wear masks, we've
24 set up an overflow courtroom across the hall, Courtroom Number
25 1, where the trial will be broadcast. So if you don't want to

1 wear a mask, you're welcome to watch it over there without a
2 mask because there'll be very few people there and you can
3 space out according to courtroom policy.

4 Now, Counsel, we had the conversation before we
5 started regarding whether the trial would be conducted with
6 masks. Witnesses, of course, will testify without a mask.
7 They'll be tested in the morning. Counsel examining witnesses
8 and opening and closing can proceed without a mask.

9 The jury. I'm going to give the jury a little
10 instruction about this because they're -- there was a small
11 minority who preferred masking, but I'm going to let them know
12 if any of them change their mind during the proceeding, they
13 can let Kellie know on a break and if we get to a point where
14 the entire jury is comfortable proceeding maskless, we will.

15 But until -- while we have a jury that's not --
16 while we have jurors who would prefer to proceed with a masked
17 trial, we're going to honor that because that's consistent with
18 court policy at the moment. All right? So that's where we are
19 on that. Just as an update for you.

20 Anything for the Court before we open?

21 MS. MACDONALD: No, your Honor.

22 THE COURT: Actually, I need to instruct before we
23 open, and I will.

24 All right. Thanks to everybody in the gallery
25 for -- for honoring the rules. It's very helpful. And, again,

1 if you decide you don't want to wear that mask, just go across
2 the hall. We'll have a nice, big, open courtroom for you to
3 watch the trial. All right?

4 Let's get the jury.

5 We're using Courtroom 3, where we selected the jury,
6 as a jury deliberation room and jury break room during the
7 trial to give them plenty of room to space, should they want
8 it. It takes it -- so it takes an extra minute to get them
9 from the room over to the jury box here.

10 THE CLERK: All rise for the jury.

11 (With the jury present.)

12 THE COURT: Please be seated.

13 We have a juror without a mask. Did you forget?

14 Let's talk about masking for a minute. We'll get
15 started now.

16 You probably noticed that at the beginning of the
17 proceeding -- before you even entered jury selection, we sort
18 of conducted an informal poll of each of you individually. You
19 probably remember Tracy asked you about your preference. If at
20 any time -- because right now we're obviously conducting a
21 masked proceeding. Everyone in the courtroom is wearing a
22 mask.

23 The only exceptions to that will be three,
24 basically: It'll be witnesses on the witness stand, so you can
25 see their face; lawyers asking questions, just for ease of

1 communication; and the defendant, who has a medical waiver.
2 His doctor has provided a request to the Court that he not be
3 masked because of a medical issue.

4 Now, if any of you change your mind about this
5 proceeding, all right, just let Kellie know. I want to make --
6 what I mean by that is this. If you told -- if you told us
7 when you first started jury selection you would prefer if the
8 trial was masked but you've changed your mind, you prefer it to
9 be unmasked, let us know. If you don't -- if you told Tracy
10 that you'd prefer to be unmasked but you'd rather wear a mask,
11 let us know.

12 What we're trying to do is honor your preference.
13 All right? And if we get to a point when the entire jury would
14 prefer not to, we'll honor that. But for now that's not what
15 we have, so we're going to proceed with masks. That's where we
16 are now.

17 Now, we're about to start the trial and it's time
18 for me to tell you what'll be happening for the next couple of
19 weeks here. I want to describe how the trial will be conducted
20 with this microphone and explain what we'll be doing. You, the
21 lawyers for both sides, the prosecution and defense, and
22 myself, the Court. At the end of the trial, I will give you
23 more detailed guidance in writing on how you are to go about
24 reaching your decision, but now I just want to explain simply
25 how the trial will proceed.

1 When you get instructions on the law at the end of
2 trial, you're each going to have your own copy that you can
3 read and refer to and take notes on and do whatever you want.
4 But for these preliminary instructions, they're a short version
5 just to give you a little bit of a preview.

6 Now, this criminal case has been brought by the
7 United States Government. I'll sometimes refer to the
8 government as the prosecution. The U.S. Government is
9 represented at this trial by three prosecutors, Assistant
10 United States Attorneys, Georgiana MacDonald, Seth Aframe, and
11 John Kennedy. The defendant, Mr. Ian Freeman, is represented
12 by his attorney, Mark Sisti.

13 The defendant has been charged by the United States
14 Attorney with violations of federal law. He's charged with
15 one count of operating an unlicensed -- unlicensed money
16 transmitting business, one count of -- one count of money
17 laundering, and four counts of income tax evasion.

18 He's also charged with two conspiracies, a
19 conspiracy to operate an unlicensed money transmitting business
20 and a money laundering conspiracy.

21 The charges against Mr. Freeman are contained in the
22 indictment. The indictment is simply a description of the
23 charges made by the United States Attorney against Mr. Freeman.
24 It is not evidence of anything. The defendant pleaded not
25 guilty to the charges against him and he denies committing

1 these crimes.

2 The defendant is presumed innocent and must be
3 found -- must not be found guilty by you unless all of you
4 unanimously find that the U.S. Attorney has proven the
5 defendant's guilt beyond a reasonable doubt on each of the
6 separate counts. You'll consider each offense separately.

7 The first step in the trial will be opening
8 statements. Just as the indictment is not evidence, neither
9 are the opening statements. Their purpose is only to help you
10 understand what the evidence will be and what the U.S. Attorney
11 will try to prove.

12 After the U.S. Attorney opens, the defense attorney
13 may make an opening statement. He doesn't have to make any
14 statement. Sometimes criminal defendants don't make any
15 statements or offer any evidence. That'll be up to Mr. Sisti.

16 At that point in the trial, even if Mr. Sisti gives
17 an opening, no evidence will have been offered by either side.

18 Next the U.S. Attorney will offer evidence that it
19 says will support the charges against Mr. Freeman. The
20 evidence in this case will consist of the testimony of the
21 witnesses as well as the documents and exhibits.

22 Now, some of you have probably heard the terms
23 circumstantial evidence and direct evidence. Don't be
24 concerned with these terms. You're to consider all the
25 evidence given in trial, both circumstantial and direct. It

1 doesn't matter whether evidence is circumstantial or direct.
2 It matters how credible you find it. You will decide if the
3 case has been proven.

4 After the U.S. Attorney presents evidence, the
5 defendant's lawyer may present evidence on the defendant's
6 behalf, but he's not required to do so. I remind you that the
7 defendant is presumed innocent and the United States Attorney
8 must -- must prove his guilt beyond a reasonable doubt. The
9 defendant does not have to prove his innocence.

10 After you've heard all the evidence on both sides,
11 the U.S. Attorney and the defendant will be given time for what
12 we call final arguments or closing arguments.

13 After that, the final part of the trial will occur
14 when I instruct you on the rules of law which you are to use in
15 reaching your verdict. I'll give each of you a written copy of
16 my instructions and I will read them to you out loud, just like
17 I'm doing now. After hearing my instructions, you will leave
18 the courtroom together to make your decision together. Your
19 deliberations will be secret. You will never have to explain
20 your verdict to anyone.

21 Now that I have described the trial, let me explain
22 the jobs that you and I are to perform during the trial.

23 I will decide which rules of law to apply in this
24 case. You will decide whether the United States Attorney has
25 proved beyond a reasonable doubt that the defendant has

1 committed the crimes of operating an unlicensed money
2 transmitting business, money laundering, income tax evasion, or
3 conspiracies to operate an unlicensed money transmitting
4 business or a money laundering conspiracy. You must base that
5 decision only on the evidence in the case and my instructions
6 about the law.

7 I will now give you a brief overview of that law,
8 the law that's applicable to this case. Please understand that
9 I will give you more detailed instructions on the law at the
10 end of the case which you will be able to take with you into
11 the jury room and refer to during your deliberations. Those
12 final instructions are the ones that will govern your
13 deliberations.

14 Many of these counts have subelements or defined
15 terms that I'll explain to you in more detail when I provide
16 the final instructions at the end of the case. But for now I
17 want to give you a general sense of these elements. Elements
18 are just the things that the prosecutors have to prove.

19 The charge of operating an unlicensed money
20 transmitting business, he's been charged with that, operating
21 an unlicensed money transmitting -- an unlicensed money
22 transmitting business. In order to sustain its burden of
23 proof, in other words, prove its case, the U.S. Attorney must
24 prove each of the following elements beyond a reasonable doubt:
25 One, that there was a business engaged in money transmitting;

1 two, that the defendant knowingly controlled, conducted,
2 managed, supervised, directed, or owned that business; third,
3 that the business affected interstate or foreign commerce,
4 interstate trade or commerce; and, fourth, that the business
5 was unlicensed.

6 Money laundering, Mr. Freeman's also charged with a
7 count of money laundering. In order to prove its case, the
8 United States must prove each of the following elements beyond
9 a reasonable doubt:

10 One, that Mr. Freeman conducted or attempted to
11 conduct a financial transaction; two, that the financial
12 transaction involved property that law enforcement represented
13 to be the proceeds of a specified unlawful activity. In this
14 case, the trafficking of controlled substances. That means
15 illegal drugs.

16 Third, that Mr. Freeman believed that the financial
17 transaction involved the proceeds of the specified unlawful
18 activity; and, fourth, that Mr. Freeman conducted the final
19 transaction with the intent to conceal or disguise the nature,
20 location, source, ownership, or control of the proceeds of the
21 specified unlawful activity.

22 Tax evasion. Mr. Freeman's also charged with four
23 counts of willfully attempting to evade or defeat income tax
24 each year from 2016 to 2019. Each count refers to a different
25 year, 2016, '17, '18, and 2019. In order to sustain its burden

1 of proof, in other words, in order to prove the case for this
2 crime, the U.S. Attorney must prove each of the following
3 elements beyond a reasonable doubt. There are three.

4 One, that Mr. Freeman owned substantially -- strike
5 that.

6 That Mr. Freeman owed substantially more federal
7 income tax for the year in question than was indicated on his
8 federal income tax return; two, that Mr. Freeman willfully
9 attempted to evade or defeat the assessment or payment of the
10 tax; third, that Mr. Freeman committed an affirmative act in
11 furtherance of this intent, he did something in furtherance of
12 the intent.

13 Now, two other charges are conspiracy charges.
14 Conspiracies are agreements to commit a crime.

15 He's charged with a conspiracy to commit the crime
16 of operating an unlicensed money transmitting business. It is
17 against federal law to conspire with someone to commit this
18 crime. A conspiracy is an agreement, spoken or unspoken. It
19 does not need to be a formal agreement or plan in which
20 everyone involved sat down together and worked out all of the
21 details.

22 In order to sustain its burden of proof to prove its
23 case of that crime, the United States Attorney must prove each
24 of the following elements beyond a reasonable doubt:

25 One, that an agreement existed between at least two

1 people to operate an unlicensed money transmitting business;
2 two, that Mr. Freeman willfully joined that agreement; three,
3 that at least one of the conspirators committed an overt act
4 during the period of the conspiracy alleged by the indictment
5 in an effort to further the conspiracy, an overt act.

6 The last offense, money laundering conspiracy. He's
7 charged with a money laundering conspiracy. In order to
8 sustain the burden of proof and prove that case, the U.S.
9 Attorney must prove each of the following three elements beyond
10 a reasonable doubt:

11 One, that two or more persons entered into an
12 agreement or mutual understanding to launder money; two, that
13 Mr. Freeman knowingly, willfully, and intentionally agreed with
14 one or more persons to enter into the agreement to launder
15 money; third, that Mr. Freeman entered the agreement with the
16 intent to further its unlawful purpose.

17 Now, this conspiracy charge involves the crime of
18 money laundering and I listed out those elements of money
19 laundering just a minute ago. As I mentioned, in the money
20 laundering charge, the government alleges that Mr. Freeman
21 conducted or attempted to conduct a financial transaction
22 involving proceeds that were represented by law enforcement to
23 be from the trafficking of illegal substances.

24 In the money laundering conspiracy charge, the
25 government alleges that the money laundering consisted of a

1 financial transaction involving proceeds from a crime called
2 wire fraud.

3 All right. Now, that was a lot, I know. Five
4 different charges, lots of different elements. Remember --
5 remember that you don't have to remember all of those elements
6 yet. At the end of the case, you'll get it in writing. So
7 when you're working through the evidence together, you'll be
8 able to refer to that in writing and you won't have any -- you
9 won't have to wonder what the elements are.

10 Now, if you find the defendant guilty, it will then
11 be my job to decide what punishment should be imposed. In
12 considering the evidence and arguments that will be given
13 during the trial, you should not guess or even think about
14 punishment. It should not enter into your consideration or
15 your discussions or deliberations at any time.

16 During the course of the trial, you should not talk
17 with any witness or with the defendant or with any of the
18 lawyers in the case. Please don't talk with them about any
19 subject at all. In addition, during the course of the trial,
20 you should not talk about the trial with anyone else, not your
21 family, not your friends, not the people you work with and,
22 maybe surprisingly, not even your fellow jurors during the
23 trial. After the evidence portion of the trial, that's
24 different. But during the trial, no discussions about the
25 evidence in the case. You should not discuss this case amongst

1 yourselves until I have instructed you on the law and you have
2 gone to the jury room to make your decision at the end of the
3 trial.

4 It's important that you wait until all the evidence
5 is received and you have heard my instructions on rules of law
6 before you deliberate among yourselves.

7 Further, you should not communicate with anyone else
8 or the outside world about this case during any part of the
9 trial. The prohibition applies to both receiving information
10 and giving information. Do not email about it, text, tweet,
11 instant message or share information about it on any blog,
12 website, or social media platform like Facebook, Google,
13 LinkedIn -- there's a long list -- Snapchat, Instagram,
14 YouTube, Twitter, TikTok, Reddit, WhatsApp, Twitch, Parler,
15 Clubhouse, Slack, Telegram, Matrix, or Mastodon. And I'm sure
16 there are many more.

17 This is not meant to be an all-inclusive list. You
18 must not use any similar technology or social medium, even if I
19 have not specifically mentioned it here. To disseminate any
20 information about the trial during the trial whether to your
21 family or coworker or to the world at large would violate both
22 my instructions and this Court's rules.

23 We don't live tweet from here. We don't record. We
24 don't disseminate information during the trial.

25 One other word about an even newer challenge for

1 trials such as this one. Persons, entities and even foreign
2 governments may seek to manipulate your opinions or your
3 impartiality during deliberations using the communications I've
4 already discussed or using fake social media accounts. But
5 these misinformation efforts might also be undertaken through
6 targeted advertising online or in social media. Many of the
7 tools you use to access email, social media, and the Internet
8 display third-party notifications, pop-ups, or ads while you
9 are using them. These communications may be intended to
10 persuade you or your community on an issue and could influence
11 you in your service as a juror in this case.

12 For example, while accessing your email, social
13 media or the Internet, through no fault of your own you might
14 see pop-ups containing information about this case or the
15 matters, legal principles, individuals, or other entities
16 involved in the case. Please be aware of this possibility and
17 ignore any pop-ups or ads that might be relevant to what we are
18 doing here and certainly do not click through to learn more if
19 these notifications or ads appear. If this happens, you must
20 let me know.

21 During the course of the trial, you'll receive all
22 the evidence you properly may consider to decide the case.
23 Because of this, you should not attempt to gather any
24 information on your own which you think might be helpful.
25 Don't do any independent research. That's the key here. All

1 the evidence that you'll deliberate about has to come from this
2 space right here, that witness stand, those exhibits.

3 Because of this, again, don't attempt to gather any
4 information on your own which you think might be helpful.
5 Don't engage in any outside reading on the case, the matters of
6 the case, or the individuals involved in this case, not on your
7 smartphones or tablets, not on the Internet, not at the library
8 and not in your own home.

9 Do not attempt to visit any places mentioned in the
10 case and do not in any other way try to learn about the case
11 outside the courtroom and you must ignore any information about
12 the case that you might see, even accidentally, while browsing
13 the Internet or on your social media feeds.

14 Now that the trial has begun, you must not read
15 about it in the newspaper or watch or listen to television or
16 radio reports or read Internet news or social media reports,
17 blogs, chat rooms, or anything else about what's happening
18 here.

19 The reason for all these rules, as I'm sure you can
20 understand, is that your decision in this case must be made
21 solely on the evidence presented at trial. I expect that you
22 will inform me as soon as you become aware of your or another
23 juror's violation of these instructions.

24 At times during the trial a lawyer may make an
25 objection to a question asked by another lawyer or to an answer

1 by a witness. A lawyer might stand up and say "objection."
2 Don't draw any conclusions from these objections or from my
3 rulings on the objections.

4 They only relate to the legal questions that I must
5 determine as the Court and should not influence your thinking
6 at all. If I say sustained, that means I agree with the
7 objection and the evidence cannot be -- cannot come in, cannot
8 be spoken or must be disregarded. Don't attempt to guess what
9 answer might have been given if I had allowed the question to
10 be answered. And, similarly, if I tell you not to consider a
11 particular statement, if I say, Mr. Jones just testified to X,
12 disregard it, you must disregard it. You can't let it enter
13 into your mind or deliberate about it.

14 Now, during the course of the trial I might ask a
15 question of the witness, me, the judge. If I do, that does not
16 indicate that I have any opinion about the facts in this case.
17 I do not take a side in this case. Sometimes I might ask a
18 question, though. That either means I'm confused because I
19 don't understand something or I might be -- I might be
20 concerned that something's not clear and I want to make sure
21 it's clear for you. So sometimes I'll ask a question, not very
22 often.

23 One thing to remember. My questions are not more
24 important than their questions, the lawyers', just because the
25 judge is asking. Don't think there's something special going

1 on. It's often as simple as I didn't hear what just was said
2 or asked.

3 Let me clarify something you may wonder about later.
4 During the course of the trial I may have to interrupt the
5 proceedings to confer with the attorneys, to talk to the
6 lawyers, about some rules of law or rules of evidence.
7 Sometimes we talk up here at the bench, over at that little
8 area. It's called sidebar. Sometimes we'll do it using those
9 same headphones we used for jury selection. That's what we've
10 been doing during COVID so we're not all crawling into the same
11 space. We'll do it one way or the other.

12 But sometimes they take a few minutes. Sometimes
13 they take 15 seconds. But sometimes they get bogged down. If
14 they get bogged down, what I'm going to do is give you a break.
15 I'm going to let you go back to the Courtroom 3 and be
16 comfortable and -- so that you can talk to each other and move
17 around rather than sitting there silently waiting for us to
18 resolve the issue. I don't do it very often, but sometimes I
19 do.

20 Trust me on this. When that happens, it makes the
21 trial move faster, not slower. It feels like a delay because
22 nothing's happening for a couple minutes, but what we're doing
23 is working something out so it's not going to continue to keep
24 coming up and causing a dispute. So believe it or not, even
25 though it feels frustrating sometimes, we'll take a break and

1 you're out there 20 minutes sometimes, it almost always makes
2 the trial move more quickly.

3 One thing we're always trying to do here is honor
4 and be grateful for the contribution you're making. So we try
5 to conduct the trial as quickly as we can, but getting all the
6 evidence out to you so you can make an informed, fair, and
7 impartial decision and render a just verdict.

8 Now, last topic. Note-taking. You have permission
9 to take notes. We've probably already given you notepads,
10 right? Do you have them? Good.

11 Now, the fact that you've been given permission to
12 take notes doesn't mean you have to take notes. You are not
13 required to take notes. You're just allowed to. If you decide
14 to take notes, and that's up to you, you must observe some
15 limitations.

16 First of all take notes sparingly. Don't try to
17 transcribe what's going on. Only -- only the court reporter
18 can actually do that. It's difficult. And if you get -- if
19 you try too hard to transcribe and write everything down,
20 believe me, you're going to lose track of the evidence. You're
21 going to be writing instead of listening. Your job is to
22 listen and to watch those witnesses.

23 But sometimes it's -- it is helpful to sparingly
24 take notes to help you remember a name or a date or an
25 identity, a relationship, just some detail. Nothing wrong with

1 taking notes for that and you should do it, if you want to.

2 Secondly, when you're taking notes, don't be
3 distracted from the ongoing trial. Overindulgence in
4 note-taking is unreasonable and unnecessarily distracting.
5 It's your duty as a juror -- the most important thing you'll be
6 doing is assessing the credibility of the witnesses that appear
7 in the witness stand.

8 In order to assess each witness's credibility, you
9 must observe the demeanor and the appearance of each witness.
10 That's why they're not going to be wearing masks. Note-taking
11 must not distract you from that task. If you wish to take a
12 note, don't sacrifice your ability and opportunity to make
13 important observations about the witness first. You can make
14 your note after you make your observations.

15 Keep in mind that when you ultimately make a
16 decision in this case, you will be relying primarily on your
17 eyes and your ears and your mind, your ability to reason
18 together, and not on your fingers, not your notes.

19 Third, finally, don't use your notes as authority to
20 persuade other jurors. Your notes are not official transcripts
21 and your notes should be used only as aids to your own memory
22 and not as authority to persuade other jurors what the evidence
23 was. You could have made a mistake in what you wrote. You
24 could have misunderstood the evidence or didn't hear it
25 correctly. In the end, you each must rely on your own

1 recollection or impression as to what the evidence was. Your
2 notes are not official transcripts. So with those limitations,
3 though, you are given permission to take notes.

4 At the end of each day, during any breaks in the
5 day, please place your notes in that envelope which was
6 provided. The envelope will be taken and secured each night,
7 locked up. The envelope will be returned to you at the
8 beginning of each day. At the conclusion of the case, after
9 you have used your notes to deliberate together, they will be
10 collected and they will be destroyed. Nobody will see your
11 notes. No one will violate the secrecy of your deliberations.

12 If you choose not to take notes, by the way,
13 remember that it's your own individual duty and responsibility
14 to listen carefully to the evidence. You can't give this
15 responsibility to someone who takes great notes. You might be
16 sitting close to somebody who's a great notetaker. That
17 doesn't mean you free-ride and check out mentally. Everybody
18 has a responsibility to observe, watch, hear, and recall the
19 evidence as best they can.

20 We depend on your judgment as individuals and then
21 collectively as a group to remember what you can about the
22 evidence in the case.

23 That's it. Thanks for paying such close attention.
24 We're going to get started now with the trial.

25 Any -- anything from counsel about the instructions

1 first?

2 MS. MACDONALD: No, your Honor. Thank you.

3 MR. SISTI: Thank you, Judge.

4 THE COURT: All right. Now, in court, the first
5 part of the trial after we select the jury is opening
6 statements. Just a reminder, these are not evidence. The
7 things the lawyers say are not evidence. The evidence in the
8 case is testimony and exhibits and sometimes what we call a
9 stipulation, an agreement. But that's it. Opening statements
10 are not evidence, but they are a preview of the evidence that
11 the lawyers intend to present to you. So we do that first.

12 Under our rules of procedure, the prosecution, with
13 the burden of proof, gives the first opening. Who's opening
14 for the United States?

15 MS. MACDONALD: I am, your Honor.

16 THE COURT: AUSA MacDonald will open.

17 You may proceed.

18 MS. MACDONALD: Thank you.

19 THE CLERK: Your Honor, may I administer the oath?

20 THE COURT: Let's swear the jury in. That's sort of
21 important. Yeah. Let's do that.

22 THE CLERK: Will the jury please stand and raise
23 your right hand.

24 (Jury sworn by the deputy clerk.)

25 THE COURT: Thank you, Kellie. I appreciate that.

1 THE CLERK: You're welcome.

2 THE COURT: AUSA MacDonald, you may proceed.

3 MS. MACDONALD: Thank you, your Honor.

4 Ian Freeman ran a money transmitting business, a
5 business that exchanged U.S. dollars for bitcoin. That
6 business was a money laundering business and you'll learn that
7 Ian Freeman had one golden rule for the criminals that he
8 served: What you do with your bitcoin is your business. Don't
9 tell me what your plans are.

10 This was his golden rule and it's how he invited
11 criminals to use his business to launder their money. This was
12 his way of saying, if you produce the cash, I'll produce the
13 bitcoin, and I'll never ask too many questions about where that
14 money came from.

15 Mr. Freeman's business served romance scammers,
16 investment scammers, scammers preying on the elderly, scammers
17 from Nigeria, scammers lying and telling their victims that
18 they were stuck on oil rigs. All these scammers swindled their
19 victims into providing them U.S. dollars and they instructed
20 their victims to send that money to Ian Freeman in Keene,
21 New Hampshire.

22 Ian Freeman received those dollars from the victims
23 and he sent anonymous bitcoin to the scammers. Why? To help
24 them hide their tracks. And in exchange for this service,
25 Mr. Freeman charged a fee, a substantial fee, a fee well in

1 excess of what you would pay if anonymity and hiding your
2 tracks were not your primary concern.

3 Ian Freeman is charged with money laundering. He
4 designed his bitcoin business to serve these scammers so they
5 could hide their ill-gotten gains in anonymous bitcoin. That's
6 what money laundering is.

7 What you do with your bitcoin is your business.
8 Don't tell me what your plans are.

9 This, you will learn, was his invitation to
10 criminals and his golden rule was also a way for him to close
11 his eyes and pretend he wasn't aware that his bitcoin customers
12 were scammers defrauding people of their life's savings.

13 Now, I'd like to talk a little bit more about
14 bitcoin, as it may be new to some of you. And you won't need
15 any expertise to understand the evidence that you'll hear in
16 this trial. But if it is new to you, you'll learn that bitcoin
17 is a type of virtual currency. It's not something physical
18 that you can hold in your hand like a U.S. dollar or a quarter.
19 It exists only on a computer.

20 But, like dollars, it holds value. It can be used
21 to buy things like a pizza or paper services, like getting a
22 car detailed, and it can also be used as an investment.

23 Now, I want to be clear from the outset that this
24 case is not -- that selling bitcoin itself is not illegal.
25 This case is not about the fact that Ian Freeman used bitcoin.

1 Rather, this case is about how Ian Freeman sold and exchanged
2 bitcoin in illegal ways and how he used it to launder money.

3 And I expect that you'll hear testimony about two
4 properties of bitcoin that are significant. The first is that
5 it's pseudoanonymous, and that's a long word that means that
6 when you transact with bitcoin, when you send it, when you
7 receive it, you don't use your name or any account information
8 that identifies you like you do if you use a credit card or if
9 you make a deposit into a bank account. All you need is a long
10 string of letters and numbers to send and receive it and nobody
11 knows that that's -- that string of letters and numbers, called
12 an address, nobody knows that's yours unless you choose to tell
13 them.

14 And the other property is that bitcoin transactions
15 are permanent and irreversible. So when I send bitcoin, I
16 can't recall it. Once it's sent, it's gone. So the bottom
17 line is bitcoin is just a type of currency, but it has some
18 properties that make it unique and those unique properties
19 happen to be enticing to scammers. It's harder to identify who
20 owns it, and it can't be recalled once it's sent.

21 During this trial, you'll meet a number of witnesses
22 in their 50s, 60s and 70s who've traveled here from all across
23 the country. Many of them have no idea what bitcoin is or how
24 it works. What they have in common is that they were victims
25 of scams, many of them romance scams.

1 They met someone online who professed to love them
2 and eventually convinced them to send money; I need to pay the
3 taxes on my inheritance, once I do that, you know, I'll pay you
4 back when I come to live with you in the United States.

5 That's what I mean by a romance scam. You'll learn
6 that these scammers would tell their victims to send regular
7 dollars to Ian Freeman. They put cash deposits into banks,
8 they wired funds from their retirement accounts, and sometimes
9 they sent stacks of cash in the mail. They did that because
10 they trusted their scammers who professed to love them.

11 And you'll hear that Ian Freeman received these
12 dollars and he took a cut, sometimes 10 percent, sometimes more
13 than 20 percent, and then he sent the remaining value in
14 bitcoin to the scammers.

15 And remember what I told you about bitcoin. It
16 helps the scammers remain anonymous. And once the bitcoin is
17 sent, there's no way to get it back, even when a victim
18 realizes that they've been scammed. This is how Freeman
19 laundered the scammed money.

20 During this trial you'll learn about ways that the
21 United States financial system is regulated by laws designed to
22 stop money laundering, just the type of activity that you'll
23 see Mr. Freeman engaged in. And you'll hear from a
24 representative from the Financial Crimes Enforcement Network or
25 FinCEN, which is a part of the Treasury Department that

1 enforces the Bank Secrecy Act.

2 And the Bank Secrecy Act is a law that governs
3 financial institutions and businesses and it applies to banks,
4 it applies to credit unions, and it applies to money
5 transmitting businesses or money services businesses. These
6 are businesses that exchange or transmit funds. And funds
7 means dollars and funds also means bitcoin.

8 So bitcoin exchanges, or people who run a business
9 exchanging bitcoin for dollars, are governed by the Bank
10 Secrecy Act. It applies to those businesses. And you'll learn
11 that those businesses must do certain things. They must
12 register with FinCEN. They have to have an anti-money
13 laundering policy in place to prevent their business from being
14 used for money laundering, and they must file certain reports
15 with the government. Some of those reports are called currency
16 transaction reports and they have to be filed for any cash
17 transaction over \$10,000. They also have to file what's called
18 suspicious activity reports and those are reports when they --
19 the company sees something that is a red flag for fraud or
20 crime.

21 So you'll learn that these businesses have an
22 obligation to understand the transactions because they have an
23 obligation to flag things if they think there's fraud or crime
24 going on.

25 These reports documenting the suspicious things, the

1 red flags, well, they often lead to police investigations.
2 It's not good for criminals like romance scammers.

3 And so Ian Freeman is charged with operating an
4 unlicensed money transmitting business, meaning that he didn't
5 register that business with FinCEN. And FinCEN's records will
6 show it. And you'll also hear Freeman's own words that he
7 chose not to register.

8 But you'll learn that he also didn't do the other
9 things that are required of those businesses. He did not file
10 currency transaction reports, he did not file suspicious
11 activity reports. In fact, quite the contrary. He told his
12 scammer clients that he wouldn't file forms on them. On an
13 advertisement for his bitcoin business he said, your personal
14 information will not be shared with anyone. And he boasted, we
15 respect your privacy. In other words, no forms, no questions.
16 The price for these criminals' anonymity was Freeman's fee.

17 And I'd like to preview for you now the way that his
18 business worked. There were sort of three prongs to it. The
19 first was through bitcoin kiosks, the second through a website
20 called localbitcoins.com and the third over a messaging
21 application called Telegram. These are all arms of the same
22 business and all structured in a way to be appealing to
23 criminals who are willing to pay his fee to launder their money
24 so long as there were no questions asked about the reason for
25 the transaction.

1 What you do with your bitcoin is your business.
2 Don't tell me what your plans are.

3 So let's talk first about the kiosk business.
4 Bitcoin kiosks look a lot like traditional ATMs. You can go up
5 to them and put in cash and get bitcoin in return. And
6 Mr. Freeman operated kiosks at a few places throughout
7 New Hampshire; in Keene at the Thirsty Owl and at Route 101
8 Goods, in Manchester at Murphy's Taproom, and in Nashua at the
9 Red Arrow Diner.

10 And selling bitcoin through a machine, it's not
11 unlawful. You'd never know by looking at it that there was
12 something nefarious going on. But let's talk about what made
13 Freeman's kiosks criminal.

14 First, they weren't registered, and, second, they
15 allowed people to buy bitcoin completely anonymously. And I
16 mean completely. You could go up to the machine, you wouldn't
17 need an ID, no name, no telephone, no nothing. You put in cash
18 and you gave the machine just that number-letter bitcoin
19 address and exchanged cash for bitcoin, no questions asked.

20 And for this, Freeman charged a premium. In an
21 email that you'll see, he wrote, you can get crypto online in
22 various ways. The cheaper methods require you to give up
23 personal identifying information, like your bank account, while
24 the vending machines at Route 101 Local Goods and Thirsty Owl
25 are basically anonymous, but you'll pay more for that

1 convenience. Freeman's kiosks, his words, he charges a high
2 fee so you can get your bitcoin but remain anonymous.

3 And because Freeman allowed it, people came and
4 people deposited large amounts of cash completely anonymously.
5 And you'll hear evidence that he monitored those kiosks closely
6 and he'd make comments to his team of staff who emptied the
7 cash from them and say things like big spender or major whale
8 on site. In talking about his machine at the Thirsty Owl, a
9 bar in Keene, he said, we've had old ladies go there and drop
10 40K, \$40,000.

11 But despite monitoring all the money going in and
12 collecting a handsome fee, Freeman didn't file one currency
13 transaction report or one suspicious activity report and he
14 didn't collect a shred of information about the depositors like
15 he was required to do under the law.

16 Quite to the contrary. He posted signs on his
17 bitcoin kiosks saying, do not tell our staff why you want the
18 coins. What you do with your bitcoin is your business. That
19 was his golden rule.

20 Now, this completely anonymous business was
21 lucrative, but it's limited in scope because these old ladies
22 that Mr. Freeman referenced had to be in New Hampshire to use
23 the bitcoin kiosks. And so to expand his business out of the
24 state and out of the country, he had to go online. And so
25 that's where localbitcoins.com comes in.

1 This is a website that can be compared to like a
2 Craigslist for bitcoin in that it matches people who want to
3 buy it with people who want to sell it. And you'll see that
4 Freeman placed advertisements on that platform offering bitcoin
5 for sale. And, of course, on those advertisements he lists his
6 golden rule: What you do with your bitcoin is your business.
7 Don't tell me what your plans are.

8 Now, this business allowed him to reach a much
9 larger clientele because despite the local in the name, he was
10 able to reach clients, customers, all across the country on
11 localbitcoins.com, anyone on the Internet. But, of course,
12 this model is more complicated because people in Florida can't
13 just come and put money into an ATM in New Hampshire and so for
14 this part of his business to work, he had to use banks so that
15 people could go and deposit money into a local branch of a bank
16 or a credit union or wire something from an account in another
17 state to Mr. Freeman's accounts.

18 Now, banks and credit unions, they're regulated by
19 the Bank Secrecy Act. They file suspicious activity reports.
20 They file currency transaction reports and they have anti-money
21 laundering programs.

22 And so you'll hear evidence in this case that banks
23 and credit unions often wouldn't operate accounts for
24 Mr. Freeman's unregistered business. They were frequently
25 closing his accounts. And you'll see that another complicating

1 part of operating that business through the banks was that
2 banks often have the ability to recall wire transfers. So if
3 somebody went into the bank and said, I was scammed, the bank
4 might be able to claw that money back.

5 And sometimes when a transaction looked suspicious,
6 this happened to Mr. Freeman. And when it did happen, it was a
7 big, expensive problem because, remember, if Mr. Freeman had
8 already sent the bitcoin, that bitcoin can't be clawed back.
9 That's already sent. So if a bank takes the money from
10 Freeman's account and gives it back to a scam victim, he can't
11 call back that bitcoin. He's out the bitcoin.

12 And so as a result, Freeman often found himself in
13 disputes with banks. And in these situations, he told the
14 banks about what he called his "know your customer" procedures
15 and one of the first witnesses you'll meet will walk you
16 through the localbitcoins.com records and you'll see a number
17 of examples of these advertisements and some examples of his
18 "know your customer" procedure, but it's a bit complicated, so
19 I'm going to preview it for you now.

20 If you wanted to buy bitcoin from Ian Freeman on
21 localbitcoins.com, he'd require that you send him a photo of
22 your driver's license and he'd give you specific instructions
23 if you were going to send him a wire transfer to go to the bank
24 and to write specific -- to tell the bank specific things about
25 why you were sending the wire.

1 He'd tell you to describe it as a church donation,
2 and we'll get to that in a minute; he'd sometimes tell you to
3 write purchase of virtual goods; sometimes purchase of rare
4 coins. He never told them to write bitcoin purchase, the true
5 reason for the wire.

6 But once you'd get the receipt from the bank, you'd
7 be required to write a note on it, a different note for
8 Mr. Freeman. And that note would say something like for
9 purchase of bitcoin from Ian Freeman on December 6, 2022, this
10 transaction is nonrefundable. And then he'd require you to
11 take a selfie, a picture of yourself, holding up that receipt
12 with one, you know, description written to the bank and the
13 other handwritten note that you've added for Mr. Freeman and
14 send that to him before he sent the bitcoin.

15 And you'll see that sometimes he'd ask for your
16 phone number to give you a quick call and make sure that you
17 were really sending him money, but consistent with his golden
18 rule, he would never ask where the money came from or why you
19 were buying bitcoin like he was obligated to do under the Bank
20 Secrecy Act if he thought something was suspicious. Why not?

21 What you do with your bitcoin is your business.
22 Don't tell me what your plans are.

23 And you'll notice that Mr. Freeman is very strict
24 about these photos and the notes that he instructs people to
25 write on them and he kept them in a folder on his computer

1 labeled KYC for "know your customer." But he didn't use this
2 information to report suspicious activity like he was obligated
3 to do. He only used this information when banks questioned his
4 activities and he used it to portray himself as a victim
5 instead of a money launderer. And during this trial you will
6 see a lot of those photos.

7 And that brings us to the third arm of Mr. Freeman's
8 business, the Telegram business, the clients that he served
9 over the messaging application Telegram.

10 Telegram is an app that lets you send messages and
11 chat. And you'll see that sometimes Mr. Freeman encouraged his
12 LocalBitcoins customers to contact him on Telegram, on that
13 app. And you'll see that he kept a folder on his computer
14 called Telegram. And in it he kept those selfies that I just
15 described.

16 Now, the average age of the people supposedly buying
17 bitcoin in Mr. Freeman's Telegram folder is over 55. That's
18 the average. And during this trial you'll hear directly from
19 some of the people whose photos are in that Telegram folder.
20 They'll tell you that they never communicated with Mr. Freeman
21 on Telegram. They'll tell you that they were victims of scams.
22 And you'll learn that often the scammers would pretend to be
23 their victims when they communicated with Freeman.

24 And many of these victims whose pictures are in the
25 Telegram folder on Mr. Freeman's computer were widows or

1 widowers, victims of romance scams. They were older, they had
2 retirement savings, and many of them sent tens or even hundreds
3 of thousands of dollars to Ian Freeman, sometimes within a
4 matter of days.

5 You'll see that Freeman knew this, that he had their
6 receipts, he had the photos, but he never once filed a
7 suspicious activity report or a currency transaction report and
8 he never asked too many questions.

9 As long as somebody got that selfie with the
10 magic words on the deposit slip, he'd take his cut from the
11 victims -- from what the victims sent, he'd send the bitcoin to
12 the scammers. No problem.

13 You'll hear from 76-year-old Danella Varel. And
14 you'll learn that over six days in January of 2020 she sent
15 three transfers totaling \$755,000 to Mr. Freeman. She was a
16 victim of a romance scam and her scammer asked her for the
17 money. She never talked to Mr. Freeman on Telegram, but at her
18 scammer's request, she sent him the money and she took the
19 photos and she wrote the note.

20 You'll see her photos in Mr. Freeman's computer and
21 you will see the receipts from the Danella Varel Revocable
22 Trust account and from the TD Ameritrade account. And you'll
23 see the photos that document her sending away her life's
24 savings in just under a week.

25 And in that time, at a 10 percent fee, Mr. Freeman

1 would have made \$75,000 for a few minutes of work. That's
2 Mr. Freeman's Telegram business.

3 And so the three ways that he sold bitcoin are, one,
4 the anonymous kiosks; two, the don't tell me why you want the
5 bitcoin localbitcoins.com business; and, three, the average age
6 over 55 Telegram business. Those are the three ways he sold
7 bitcoin, all as part of a single money laundering business.

8 And you'll learn this business was substantial, to
9 the tune of tens of millions of dollars. And you'll also
10 learn, as I mentioned previously, that one of the biggest
11 challenges he had to keep that lucrative business going was
12 keeping bank accounts open. And so he enlisted others to help
13 him do that.

14 You'll learn that he hired people to open bank
15 accounts for him to use for his bitcoin business and you'll
16 hear from some of them directly. You'll see the contracts that
17 he had each of them sign, laying out the percentage of the
18 profits that they'd get.

19 Renee Spinella, Colleen Fordham, Chris Reitmann,
20 Aria DiMezzo, and a person who legally changed his name to
21 Nobody, they all opened bank accounts that Ian Freeman used to
22 sell bitcoin.

23 And they didn't just do that in their own names.
24 Sometimes they opened bank accounts in the names of businesses
25 and other times they did so in the names of churches.

1 Let's start with Nobody. He started the Church of
2 the Invisible Hand and Mr. Freeman used that church to open
3 bank accounts for his bitcoin business.

4 Next, Renee Spinella. She started the Crypto Church
5 of New Hampshire and Mr. Freeman used that church to open bank
6 accounts for his bitcoin business.

7 Aria DiMezzo, she started the Reformed Satanic
8 Church and Freeman used this church as part of his business.

9 And, finally, Mr. Freeman, he himself had two
10 churches, the Shire Free Church and the New Hampshire Peace
11 Church. And, of course, he opened bank accounts in the names
12 of both of those churches and he used those bank accounts for
13 his bitcoin business.

14 And you'll learn that these churches were little
15 more than letterhead.

16 You'll see from bank records that when Mr. Freeman
17 opened these accounts, he never told the banks that he was
18 using them for bitcoin. To explain movements of money, he
19 would tell the banks that he was conducting church outreach; he
20 said the accounts would be used for his international ministry.
21 And when people were sending him wires into his accounts, he'd
22 instruct them to write the reason for the wire was a church
23 donation. You will learn that pretending to be a church
24 getting donations was Mr. Freeman's deceitful way of getting
25 banks to open accounts for him.

1 And he also decided that he didn't have to pay taxes
2 on any of the income that he made from this bitcoin business.
3 He'd invoke the church here as well. In some of his
4 bitcoin-related contracts he wrote "As a nonprofit outreach
5 project of the church, we do not collect or pay taxes to any
6 state agency regarding these operations."

7 But you'll see evidence that the real reason is that
8 just doesn't like to pay taxes and that, by the way, is another
9 crime that he is charged with. So let's talk about those
10 charges.

11 He's charged with, one, operating an unlicensed
12 money transmitting business. He sold bitcoin for U.S. dollars;
13 he didn't register that business with FinCEN.

14 He's charged with operating a conspiracy to operate
15 an unlicensed money transmitting business, meaning that he
16 agreed with others to do that, he had people open bank accounts
17 for him, start up the churches. They worked together to do
18 that business.

19 He's charged with four counts of tax evasion from
20 2016 to 2019. He willfully evaded the assessment and payment
21 of taxes.

22 And he's charged with money laundering, a conspiracy
23 to launder money, agreeing with others to launder the proceeds
24 of wire frauds and in this case that's the scams like the
25 online scams like romance scams.

1 And you'll learn that he worked with the scammers to
2 do this and that he also worked with Aria DiMezzo. They shared
3 some of those same 55-plus clients in the Telegram folder.
4 They were in business together to launder money.

5 And, finally, he's charged with one count of money
6 laundering based on his sale of bitcoin to an undercover
7 officer who was pretending to be a drug dealer. And that's
8 another type of money laundering, because it's illegal to
9 exchange bitcoin for funds that you believe to be proceeds of
10 drug trafficking, even if a drug deal never happened.

11 So while the other money laundering charge
12 encompasses his whole business, that one is just focused on an
13 interaction and a sale to an undercover officer. And I haven't
14 talked much about that, so I'll preview that now before I
15 conclude.

16 You will meet an officer named Pavel. And he went
17 undercover and bought bitcoin from Mr. Freeman. And Pavel's
18 interactions with Freeman are key to understanding his business
19 and the steps that he took to insulate himself. Pavel began
20 purchasing bitcoin from Freeman on localbitcoins.com and he
21 made two purchases there and he paid 9 percent and 12 percent
22 and got his bitcoin in return and he took the pictures that
23 Freeman requested.

24 And then they moved their conversation off of
25 localbitcoins.com into Telegram, that messaging app. And

1 you'll see that Pavel got his picture in the Telegram folder on
2 Freeman's computer. And it's then that Pavel began to drop
3 hints that he was a criminal trying to launder his money. He
4 told Freeman things like "I'm just trying to get rid of cash,
5 LOL."

6 That's a red flag. And you'll see that Freeman told
7 him the best way to send cash in the mail so that it's harder
8 for investigators to open the package. That red flag was not
9 lost on from Freeman.

10 You'll also learn that when Pavel talked to Freeman
11 about driving from upstate New York to New Hampshire to put
12 money in the bitcoin kiosk, he said, I have 11K to get rid of,
13 don't want it to be too suspicious with that much cash, red
14 flag, since as we talked about, the government is required to
15 file reports for cash transactions over \$10,000.

16 But Freeman reassured Pavel; no ID or phone required
17 to use it, meaning the machine. And that's also when he told
18 him, we've had old ladies go there and drop 40K in that
19 location.

20 Pavel responded: Okay, I'll give it a try, just
21 don't want any forms filed on me, if you know what I mean, red
22 flag, since Pavel was saying he was worried about those forms.

23 Freeman responded: Oh, no way. We have disabled
24 all that nonsense.

25 Freeman gets it. No ID, no forms, no questions.

1 His business was set up to let criminals sidestep the rules
2 about reporting suspicious financial activity.

3 But then, instead of just dropping hints, Pavel
4 pushed it and he violated Ian Freeman's golden rule: What you
5 do with your bitcoin is your business. Don't tell me what your
6 plans are.

7 Pavel will tell you that he met Mr. Freeman in
8 person at a late night meet-up in Keene and during a long
9 conversation, he told Mr. Freeman that he was a drug dealer.
10 And he didn't say anything that night, but the next time that
11 Pavel wanted to purchase bitcoin, Freeman told him in a text,
12 and I'm going to read it, "you told me you sell drugs.
13 Therefore, to assist you with buying bitcoin would be
14 considered money laundering. Money laundering requires
15 knowledge of the illegal activity. I don't think you're an
16 undercover agent, but you got a little too loose-lipped.
17 Sadly, that means I cannot knowingly sell bitcoin to you."

18 You will see this conversation and you'll notice
19 that Freeman put "knowingly" in all capital letters.

20 And let me pause here, because Freeman is correct
21 that knowingly selling bitcoin to a criminal is unlawful. But
22 it's also unlawful for him to look the other way, to put his
23 head in the sand, to ignore all the red flags so he can plow
24 ahead with the sale.

25 Freeman also told Pavel, "The undercover nearly

1 every bitcoin seller the feds have taken down have sold to an
2 undercover stating they did something illegal to get the money.
3 It's just not worth the risk to me."

4 Pavel broke the golden rule. And yet you'll hear
5 evidence that a few weeks later Pavel put almost \$20,000 in
6 Freeman's bitcoin kiosk and Freeman charged a 14 percent fee
7 and made about \$2,700. No ID, no forms, no questions.

8 During this trial we'll present evidence that
9 Mr. Freeman operated a business, an unlicensed business, and
10 that he designed it in such a way that it facilitated money
11 laundering. He profited from that business, he repeatedly lied
12 to keep it going, and below the radar.

13 And you'll hear and see that he did some of these
14 things quite openly and that makes sense to some extent because
15 to some degree, he is a media personality. He even once had a
16 scam victim on his radio show. But when you tell people, don't
17 tell me what you do with your bitcoin and you publicly
18 advertise that you won't share their information with anyone
19 and that you don't file forms, you create a business for
20 scammers and other criminals.

21 And despite sending out that invitation quite
22 publicly, what Mr. Freeman didn't share were his emails, his
23 text messages, his conversations with his bitcoin customers
24 and, most importantly, that Telegram folder on his encrypted
25 computer. You will see those things. And it's the evidence

1 that will show you what Freeman, only Freeman, knew and Freeman
2 saw, all the red flags.

3 He knew that his business made him rich by taking a
4 portion of vulnerable people's money and sending the rest in
5 bitcoin to scammers. That is the reason that people were
6 willing to pay his fees. They were using him to launder their
7 money.

8 What you do with your bitcoin is your business.
9 Don't tell me what your plans are.

10 That was Mr. Freeman's way of telling the scammers
11 that as long as they were willing to pay, he was willing to
12 look the other way.

13 THE COURT: Mr. Sisti, do you plan to open?

14 MR. SISTI: I do, your Honor, with the Court's
15 permission.

16 THE COURT: Please proceed.

17 MR. SISTI: Thank you.

18 Good afternoon. Once again, my name's Mark Sisti,
19 and seated right next to me is Ian Freeman. And, I got to tell
20 you, we've got a lot to say here, too. I'll try to keep it as
21 condensed and straightforward as I can.

22 I don't want to get too deep into the weeds with you
23 right away, but I must, I must, address some of the things that
24 the government has laid out before you because some of it,
25 quite frankly, is absolute nonsense. Nonsense.

1 You heard this morning that, you know, we're a
2 country of, you know, laws. We're a country where people are
3 supposed to follow laws. That's perfectly fine. But you can't
4 sit around and speculate that somebody broke laws and you can't
5 make up things and you can't omit things that a jury should
6 know about, whether it be on an opening, whether it be during
7 the course of the trial, or whether it be on closing.

8 You're going to determine what the facts are in this
9 case. And let me tell you, it's not what the government just
10 told you. All right? Just because it's the federal government
11 and just because it's an Assistant U.S. Attorney, it doesn't
12 make it true. Just because it's an FBI investigation, it
13 doesn't make it credible. Just because it's an IRS
14 investigation, it doesn't make it unlawful.

15 And we're going to go through some of these things
16 and you're going to hear a lot as we go through this. When
17 they put a witness on the stand, let me assure you, they will
18 be cross-examined. And just because they say something on
19 direct, it doesn't mean it's true. The crucible of truth, the
20 way you determine whether something is true, whether something
21 should be believed, is through the test of cross-examination.

22 And in this country, thank God, we are given that
23 opportunity. Whether it's with the lowest and poorest of
24 people or the richest and the most famous of people, those
25 charged with crimes have the right to push back. And that's

1 what we're going to do for the next two to three weeks. We
2 will push back on the assumptions and the speculation and the
3 made-up stories that will be placed before you.

4 I want to go through this with you a little bit at a
5 time because it's not so easy as to what you just heard.

6 Freeman's not a scammer. Interesting. Over the
7 next two and a half weeks, if they are laying the entire
8 foundation of their case on him being a scammer, him locking
9 arms with scammers to hurt little old ladies, to steal their
10 inheritance, bring one on. Place that scammer on the stand and
11 have him or her point that finger at Ian Freeman and say, I
12 locked arms with that man sitting right next to Mark Sisti.
13 And we agreed, together, to pull off a Nigerian prince scam;
14 and we agreed, together, to pull off an I need to get back to
15 the country scam or your grandson is in trouble scam. Show us
16 one. Show us one. Bring him in. You won't see one, by the
17 way. He's locked so tight with these scammers they can't find
18 one of them.

19 They've been investigating Ian Freeman for years.
20 It's almost like he walked around with a target on the back of
21 his head. And we'll get to that.

22 They made him out to be a bad man on opening. He's
23 probably the most nonviolent human being in this courtroom.
24 He's helped his community and the businesses in his community
25 and little old ladies that appreciate what he did for them, not

1 just in Keene; Vermont, New Hampshire, he helped get money back
2 from a professor's mother, he helped an investigation in Texas
3 on a scam. I'll go through a long list of just how bad Ian
4 Freeman is and what a scammer he is.

5 The church is real. The church does real things.
6 You didn't hear from the prosecutor that the church is involved
7 in aiding the homeless in Keene, like churches do, like getting
8 food for those that need it, for actually working with courts
9 to help with community service. You didn't hear that.

10 You didn't hear how the church, his church, set up
11 an orphanage in Uganda. You didn't hear that. You didn't hear
12 a lot of things. He helps. He doesn't hurt.

13 There's some misconceptions that have been flying
14 around and, you know, we have really been looking forward to
15 this day. Those masks that you have on your face have delayed
16 a lot of things. It's set back trial calendars, it's left open
17 open allegations of crime for people for a long time, longer
18 than usual in this country. And it's time. It's time to clear
19 the air. And that's just what we're going to do.

20 If setting up food pantries, helping the homeless,
21 feeding the poor aren't church things, we'll figure a few out
22 yourself. Setting up a mosque for a Muslim community in
23 western New Hampshire because they needed a place to worship,
24 that's Ian Freeman. That's the church, helping the community.

25 He helps local businesses, businesses, some of which

1 come to him and say how can we get involved in utilizing
2 bitcoin so that somebody can buy a pizza at my store, tacos at
3 my store, how can you help us do that? How can you help us
4 make money, Ian?

5 And what does he do? He gives them advice and he
6 shows them how to do it, ladies and gentlemen, for free. For
7 free. He doesn't ask anything of them. And they appreciate
8 it. The prosecution knows that. You didn't hear that, though.

9 Many, many people and many businesses have utilized
10 his services. And he operates openly. He operates not behind
11 a curtain, I'll tell you that much. He's not secretive. You
12 know the photographs that were just discussed? My God, they
13 have his -- they have his name on them. And he keeps them, not
14 just when the transaction is being activated, but he keeps them
15 as a record of those transactions.

16 He warns people about scams. But you didn't hear
17 that either. You wonder why. Or do they want to make him out
18 to be a bad man?

19 He refuses to engage in activity. He rejects deals.
20 He turns people away.

21 He works with law enforcement. He's worked with law
22 enforcement on more than one occasion. And the prosecution
23 knows that.

24 Money transmission is an interesting definition.
25 You'll hear some of the history of what went on with regard to

1 this money transmission business and the laws and the
2 regulations that were designed with regard to it. You'll hear
3 that money transmission came into effect essentially in 2002,
4 post 9/11 situation.

5 You'll hear that cryptocurrency didn't exist in 2002
6 and that our Congress never anticipated anything like
7 cryptocurrency. And you'll hear that the allegations that are
8 leveled against Ian Freeman right here in this courtroom were
9 based on a statute that didn't even mention the word
10 cryptocurrency.

11 We are a nation of laws. We are a nation of giving
12 notice to people. And the statute -- one of the statutes he's
13 being prosecuted on doesn't even mention that nasty word,
14 cryptocurrency. They corrected it after he was arrested. It
15 went into effect in January of 2021. They had a brilliant idea
16 to put in that word.

17 Money transmission has to do with businesses.
18 Freeman's not in a business. In fact, the question is whether
19 he's even transmitting anything. And you've got a short little
20 primer on bitcoin and cryptocurrency. We're going to get into
21 it a lot deeper, folks. The stuff doesn't move. There's no
22 transmission. In fact, it stays in one place. But we'll get
23 there as we move along. I told you earlier we're all going to
24 get a little bit better educated by the end of this thing.

25 But the money transmission aspect of this -- of

1 these allegations, they don't -- they're not for him. That's
2 not what was going on with him. And Freeman relied on a few
3 things because of that. You didn't hear that in November of
4 2017, November of 2017, well before the time he was arrested,
5 Ian Freeman sought counsel from a licensed attorney in the
6 state of New Hampshire and an opinion letter was written and
7 sent to New York City on Ian's behalf.

8 And the opinion letter, which Ian had full knowledge
9 of and relied upon, indicated a few things. One, Freeman's not
10 operating a business as defined. He's operating a church.

11 Two, the material, the bitcoin itself, isn't
12 involved in an exchange. And we'll get into these terms
13 because they mean things and words mean things in this case.
14 The bitcoin that is under his control or the church's control
15 is owned by the church. In other words, he's not setting up
16 deals moving money from one guy to another guy to another guy.
17 That's not what's going on. Everything that moves from the
18 church is owned by the church, which doesn't fit the
19 transmission statute. It's theirs. And that's in the letter,
20 by the way, that Freeman relied upon.

21 But the letter gets better and better, and he relies
22 on it because it's coming from an attorney. He doesn't have
23 any criminal intent whatsoever and, in fact, in addition to the
24 letter from the attorney. Our own banking system in the state
25 of New Hampshire testified, in state -- I'll give it, it's in

1 state -- but it's in the same time period that Freeman's
2 vending machines are not to be considered part of a money
3 transmission system. They are to be considered vending
4 machines, basically like a Coca-Cola machine. If they own the
5 material that is the subject of the machine, then it doesn't
6 fit the definition and they need not apply for a license.

7 You didn't hear that. Things aren't so simple.

8 A nefarious operation, ladies and gentlemen, does
9 not include picture-taking, licenses of individuals that you're
10 scamming. Why would you hold on to something like that if
11 you're scamming? You'd ditch that junk as quick as you could.
12 I mean, it doesn't even make sense. Photos, selfies, all
13 preserved. Why do we know it's preserved? The government has
14 them. They're on his computer. And they're years old. And he
15 makes no secret of it.

16 You know, you bring up highly regulated business,
17 you bring up the fact that he should have noticed red flags,
18 and you heard the prosecutor tell you that a little old lady
19 dumps \$750,000 over six transactions in six days. You wonder,
20 what bank did she go to that was so highly regulated; what bank
21 wouldn't have seen those red flags, since they're so highly
22 regulated, where a local customer of theirs who's over 70 years
23 old is pulling down \$750,000 in six days. Show me that bank
24 president because that guy should be sitting next to me.

25 Those transactions weren't Ian Freeman hand-in-hand

1 with some scammer, by the way. And there are instances, and
2 the government knows it, where Ian actually warned people;
3 there are scammers out there, be careful. He's told them to
4 be careful. And they go ahead and they go through with the
5 transaction anyways, I guess just like they would in front of a
6 bank teller at Bank of America.

7 The FBI agent, undercover, is a sorry excuse for a
8 desperate attempt to hang a money laundering charge on Freeman.
9 It's almost jokeworthy. Freeman, once he heard that this guy
10 was entering or trying to enter into a transaction, essentially
11 to launder money because he said he was a heroin addict or a
12 heroin dealer, said no. No.

13 Now, I don't know. The government can't have it
14 both ways. They told you he said no before this clown went in
15 to a vending machine without Freeman's permission, by the way,
16 and dumped \$20,000 into it. That was just to make it look like
17 Freeman said go get 'em, tiger. Freeman told him no. Even
18 their undercover guy, okay, blew it.

19 But you can't have it both ways. If he told him no,
20 then why did he force himself in? Why did he go in and buy the
21 20? Does he say, oh, Freeman had a change of heart? It's a
22 forced buy. Can't wait till we see him.

23 By the way, it's on a wire. Did you know that? You
24 didn't hear that. We're going to try to give you an
25 opportunity to listen to that wire because when he informed

1 Freeman -- after Freeman had told him no -- when he informed
2 Freeman of his heroin business and when the FBI agent said, I
3 want to go use your vending machine, Freeman told him, I cannot
4 tell you you can use that.

5 Doesn't sound like a hand-in-hand, arm-in-arm
6 agreement to launder money there, does it? What's he supposed
7 to do, put an armed guard in front of his vending machine? He
8 did what he did. He said what he said. And their little
9 undercover guy went and bought anyway without his permission.

10 These vending machines that were discussed, by the
11 way, were operated openly for years. For years. With the
12 signs. The Taproom in Manchester is a very busy place. It's
13 open to the public. It's open to the public. It's open to
14 police officers. It's open to the Liquor Commission. It's
15 open to anybody who wants to walk by. The machine in that
16 operation operated without any problems for years. The owner
17 had no problems there, no complaints there, no trouble there.
18 Zero. Zero. You could walk by outside of that place and see
19 it inside. Nobody's hiding anything.

20 When you take a look at this case, there are two
21 sides to this particular coin and you're going to have to try
22 to figure this out. But the most important thing about
23 criminal jury trials in the United States of America is
24 something that Judge Laplante told you early on today and that
25 he told you at 6:45 this morning; this is a rule of law nation.

1 This isn't some place where they just point a finger at you and
2 it's good enough to convict you. You play by the rules here.

3 When I had the chance to ask you just a couple hours
4 ago whether or not you all agreed with the jury system and the
5 criminal justice system in this country, all of you nodded yes.
6 Not one of you hesitated on saying you'd come along and you'd
7 deal with this problem together with us in this courtroom. And
8 you all agreed to follow the rules. And I guess that's all I'm
9 going to ask you to do.

10 I really need you, and Ian needs you, to follow the
11 rules. We need you to keep an open mind. We need you to watch
12 the direct and the cross-examination and we need you to hold
13 your fire on coming to an opinion until we can deliver
14 everything to you.

15 We need you to honestly believe throughout the
16 course of this trial that the burden of proof is on them. And
17 it's a heavy burden. It's not a kind of guilty, it's not a
18 probably guilty. It's not even like a clear and convincing
19 guilty. In this country, it's proof beyond a reasonable doubt,
20 the highest standard in the world.

21 And if you're taking that to heart, I'll be coming
22 back in a couple of weeks and I'm going to ask you to do the
23 right thing. I'm going to ask you to be a nation of laws. And
24 I'm going to ask you to say not guilty, they failed. And we'll
25 talk about it. And you'll be proud of your decision.

1 Thank you very much.

2 THE COURT: All right, Counsel.

3 I'm just going to let the jury -- I'm going to let
4 the room clear out.

5 We'd normally go on 90-minute blocks and then we
6 give the court reporter a little break because it's tough to
7 keep up with the witnesses.

8 So it's been over 90 minutes. I'm going to take a
9 little break now. I might be discharging you for the day
10 because it's been a long day with the jury selection. Most
11 days we're going to go 9:00 to 5:00, but I'm going to talk to
12 the lawyers before I make that decision.

13 So we're going to take a little break. I'm going to
14 ask Kellie to put you into the deliberation room for a brief
15 recess.

16 THE CLERK: Please rise for the jury.

17 (Jury excused.)

18 THE COURT: We can go off the record.

19 (Off-the-record discussion.)

20 (With the jury present.)

21 THE COURT: All right. Ladies and gentlemen of the
22 jury, I'm going to discharge you for the day.

23 A reminder. Don't talk to the -- talk with anyone
24 about the case during the recess, the overnight recess. Don't
25 conduct any independent research or investigation into any

1 matter involved in this case or anything involved in the case.
2 I'll be asking you about that every morning. It's very
3 important.

4 I'll be checking with you in case you were exposed
5 to some information that you shouldn't be considering in your
6 deliberations. It doesn't mean that the case is over or that
7 you're kicked out or anything like that, but if somebody is
8 exposed to information, we have ways to deal with it and I'll
9 ask you about it every morning. Okay?

10 Normally our courtroom days are 9:00 to 5:00. There
11 are certain days where we have to end a little early, maybe we
12 start a little late depending on something going on at the
13 courthouse that I have to attend to or something, but generally
14 it'll be 9:00 to 5:00.

15 So tomorrow we'll start at 9:00. Just get here a
16 little bit before 9:00 and we'll go to 5:00.

17 Does that work for everybody?

18 Okay. If it turns out there's some kind of family
19 emergency or something that requires something, just let Kellie
20 know and she'll let me know and we'll figure it out.

21 All right? But, importantly, no discussion about
22 the case, no independent research or investigation into any
23 matter involved in this case during the overnight recess.

24 And we'll start tomorrow with the Government's first
25 witness.

1 Any questions for the Court?

2 All right. Yes, sir?

3 THE JUROR: I actually do have one, just a simple
4 notification to our employer that we're -- we did get selected,
5 that okay?

6 THE COURT: Yeah.

7 THE JUROR: Just no details.

8 THE COURT: Oh, yeah, you can talk to -- you can
9 tell the world you're on a jury.

10 THE JUROR: Okay.

11 THE COURT: You just can't talk about the evidence.

12 THE JUROR: Okay.

13 THE COURT: All right. Very good.

14 All right. Have a nice night.

15 THE CLERK: All rise for the jury.

16 (Jury excused.)

17 THE COURT: All right. Anything I can do for any of
18 you?

19 See you in the morning.

20 MR. SISTI: Thank you.

21 MS. MACDONALD: Thank you, Judge.

22 (Proceedings adjourned at 4:18 p.m.)
23
24
25

C E R T I F I C A T E

I, Liza W. Dubois, do hereby certify that
the foregoing transcript is a true and accurate transcription
of the within proceedings, to the best of my knowledge, skill,
ability and belief.

Submitted: 3/10/23

/s/ Liza W. Dubois
LIZA W. DUBOIS, RMR, CRR